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Held at Headquarters, New York, on Tuesday, 9 October 2001, at 10 a.m.

Chairman: Mr. Effah-Apenteng ..... (Ghana)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 121: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Policies and practices in the use of the services of private management consulting firms in the organizations of the United Nations system (continued)

United Nations system common services at Geneva, part II, Case studies (continued)

Management of buildings: practices of selected United Nations system organizations relevant to the renovation of the United Nations Headquarters (continued)

Agenda item 128: Joint Inspection Unit (*continued*)

Report of the Joint Inspection Unit (continued)

Programme of work of the Joint Inspection Unit for 2001 and preliminary listing of potential reports for 2002 and beyond

Implementation of the recommendations of the Joint Inspection Unit

Follow-up system on Joint Inspection Unit reports and recommendations (continued)

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Agenda item 121: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Proposed regulations governing the status, basic rights and duties of officials other than Secretariat officials and experts on mission and regulations governing the status, basic rights and duties of the Secretary-General (continued)

The meeting was called to order at 10.05 a.m.

Agenda item 121: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Policies and practices in the use of the services of private management consulting firms in the organizations of the United Nations system (*continued*) (A/54/702; A/55/979)

United Nations system common services at Geneva, part II, Case studies (*continued*) (A/55/856 and Add.1; A/56/7 and A/56/417)

Management of buildings: practices of selected United Nations system organizations relevant to the renovation of the United Nations Headquarters (*continued*) (A/56/274 and Add.1)

Agenda item 128: Joint Inspection Unit (*continued*)

Report of the Joint Inspection Unit (*continued*) (A/56/34 and Corr.1)

Programme of work of the Joint Inspection Unit for 2001 and preliminary listing of potential reports for 2002 and beyond (A/56/84)

Implementation of the recommendations of the Joint Inspection Unit (A/56/135)

Follow-up system on Joint Inspection Unit reports and recommendations (*continued*) (A/56/356)

1. **Mr. Duval** (Canada), speaking also on behalf of Australia and New Zealand, welcomed the efforts made to improve interaction with participating organizations and oversight bodies and the follow-up system on Joint Inspection Unit reports and recommendations. The consideration of the report of the Secretary-General on the implementation of the recommendations of the Joint Inspection Unit (JIU) (A/56/135) was particularly timely. The results, in that regard, were mixed: in some cases, the Unit had played a positive role in encouraging reform of the Organization, while in other cases, its recommendations had not carried the same weight. The Unit should not go beyond its mandate or capacity and it should ensure that adequate attention was paid to the formulation of relevant recommendations and the monitoring of their implementation.

2. He had taken note of the programme of work of JIU (A/56/84), and felt that it should have included fewer and better focused reports, with an emphasis on follow-up. Some of the Unit's past reports, such as those on the United Nations University and the Administrative Committee on Coordination, had overlapped with other investigations or reform exercises which had been ongoing at the time the JIU reports had been prepared, and, as a result, some of the Unit's work had been overtaken by events. He feared that the proposed programme of work would cover areas that had already been studied or that were beyond the prescribed mandate of JIU, including the proposed analyses of peacekeeping operations, international drug control activities, the impact of zero-nominal-growth budgets and the practice of attaching conditions to special-purpose contributions.

3. With respect to the reports submitted at the current session, the one on building management (A/56/274) was both useful and timely. Analyses of the practices of other United Nations entities not covered by that report would provide valuable information. He concurred with many of the observations contained in the report, including the one on the importance of qualified staff for monitoring capital expenditure and project milestones. Before incurring new capital expenditure, it was essential to achieve rational space allocation in existing premises, at Headquarters and elsewhere, on the basis of uniformly applied standards. He would like to see evidence that new technology and working methods, such as telecommuting, were being taken into account in the preparation of such standards. More details from the Secretary-General on the implementation of the recommendations with which he had agreed would have been helpful, particularly for the Committee's deliberations on the capital master plan at the resumed session in 2002.

4. Australia, Canada and New Zealand concurred with a number of the Unit's suggestions on the use of private management consulting services (A/54/702), particularly those concerning the monitoring of expenditures and achievements and the use of benchmarks to assess performance and cost accounting methods that permitted expenditure review. While a certain degree of management flexibility was necessary, it did not have to come at the expense of transparency or fiscal accountability. Some of the

Unit's other recommendations should have been more precise.

5. The relevant JIU report and the Secretary-General's comments (A/55/856 and Add.1) indicated that progress had been made in establishing a network of common services at Geneva, though much remained to be done, and that the recommendations of JIU had played a considerable role in that regard. Australia, Canada and New Zealand attached particular importance to the further rationalization of resources in that area, and hoped that a more ambitious target than 2010 would be set for the completion of the programme.

6. **Mr. Repasch** (United States of America) said it was fitting that the first issue to be considered in depth by the Committee was the work of the Joint Inspection Unit, which was the only oversight body mandated to review the programmes of the entire United Nations system.

7. His delegation did not wish to comment extensively on the annual report of JIU (A/56/34) at the current stage, as some of the issues raised would be discussed in the context of the Committee's consideration of the budget for the services concerned. JIU should focus its current and future evaluations on issues that could affect the smooth functioning of services and the rational use of resources, especially in areas where improvements would result in savings for the Organization.

8. He wished to comment on some of the potential reports listed in the Unit's programme of work for 2002 and beyond (A/56/84). He supported the proposed reviews of the financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and of management and administration in the Food and Agriculture Organization of the United Nations (FAO), but asked for assurances that the Inspectors would define three or four specific objectives relating to the primary functions of those organizations. JIU should focus its analyses more precisely so that it could take full advantage of the resources available to it and provide the Member States with reports that were timely and to the point.

9. His delegation would like to know how the proposed evaluation of international drug control activities in the United Nations system would differ from the recent Office of Internal Oversight Services review of the United Nations International Drug Control Programme, and how the proposed comparative study of standards of accommodation, travel time and rest stopovers would differ from the International Civil Service Commission's recent study on the issue. It would also like JIU to specify the objectives of the proposed study on the implementation of the strategy for providing primary education for all.

10. With regard to the proposed reviews of the structure of the Department of Peacekeeping Operations and of a specific peace operation, his delegation wished to point out that a number of the recommendations contained in the recent review by the Panel on United Nations Peace Operations (Brahimi report) had not yet been implemented. The proposed reviews might therefore be premature or even unwarranted. It would also be helpful to know what purpose would be served by studying the practice of donors attaching conditions to special-purpose contributions.

11. His delegation looked forward to the proposed study on planning, programming, budgeting, monitoring and evaluation in the United Nations system: learning from best practices. On the other hand, it had doubts about the purpose of a study of the impact of zero-nominal-growth budgets on the programmes of the specialized agencies of the United Nations and its usefulness to Member States. Generally speaking, even though the reports of the Joint Inspection Unit were enlightening, they did not place sufficient emphasis on the improvements that could follow from implementation of the recommendations they contained and on the savings that could result.

12. With regard to the report of the Secretary-General on the implementation of the recommendations of the Joint Inspection Unit (A/56/135), his delegation was aware of the difficulties experienced by the Joint Inspection Unit in putting in place a system for the follow-up of its recommendations, but noted that the fault was due not only to the legislative organs but also to the Joint Inspection Unit itself, which often prepared very long and complex reports, on the basis of which Member States found it hard to take decisions. The Joint Inspection Unit should therefore facilitate the task of the legislative organs by making recommendations that could be readily approved by those organs and then promptly implemented.

13. **Mr. Zhou** (China) said that his delegation fully subscribed to the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China at the Committee's 4th meeting, but wished nevertheless to pose a few questions to the Joint Inspection Unit. He noted in paragraph 11 of the report contained in document A/56/34 that it was proposed to abolish two P-2 posts and create one additional P-4 post. He wondered whether those changes would help to maintain a rational age structure and noted that staff members should be given training before they occupied certain posts. With regard to the preliminary listing of potential reports contained in document A/56/84, his delegation wished to know the criteria on the basis of which the list had been prepared.

14. His delegation was concerned at the fact that, according to the report contained in document A/56/135, certain recommendations of the Joint Inspection Unit had not been implemented or had been implemented late. His delegation considered the recommendations of the Joint Inspection Unit to be very useful. More specifically, with regard to the recommendations concerning results-based budgeting (paras. 155 to 158 of the report), he wished to know what had been done to familiarize staff members and Member States with the concept, and when the General Assembly would take a decision on the matter.

15. On the subject of the renovation of the United Nations Headquarters (A/56/274), his delegation supported the recommendation of the Joint Inspection Unit to solicit support from the host Government and the local authorities in the implementation and funding of the project for renovating and improving the building. It was important to undertake the necessary feasibility studies as early as possible and he wished to know whether there was any new information on that subject.

16. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation supported the suggestion made in paragraph 58 of document A/56/356. It noted with satisfaction paragraph 6 of document A/56/84 concerning the management audit review of outsourcing in the United Nations and the United Nations funds and programmes, as well as paragraph 8, on evaluation of United Nations Volunteers. The subject had been taken up by the Committee at the previous session of the Assembly and was still under review. His delegation hoped that, in undertaking that evaluation, the Joint Inspection Unit would take account of the debates on the subject.

17. His delegation attached great importance to respect for multilingualism in all United Nations organizations and invited the Joint Inspection Unit to submit its report on the subject without delay, particularly since, as mentioned in paragraph 12 of document A/56/84, the practice of the organizations of the United Nations system lagged behind the policy decisions of their respective governing bodies that called for an improved multilingual working environment and access to information.

18. With regard to the study on technical cooperation between the private sector and the United Nations proposed in paragraph 23, his delegation wondered whether the legislative organs had issued guidelines on partnerships between the private sector and United Nations organizations. Since the matter had been considered at the previous session of the General Assembly, he assumed that the Second Committee would consider a follow-up report on the subject at the current session of the Assembly.

19. In the view of his delegation, the study of the impact of zero-nominal-growth budgets on the programmes of the specialized agencies of the United Nations, which was included in the preliminary listing of potential reports for 2002 and beyond (para. 33 (i)), should be broader in scope and cover the entire United Nations system.

20. His delegation noted with satisfaction the Unit's recommendations on outsourcing (A/56/135), in particular recommendation 6 (a) concerning a system-wide definition of outsourcing and recommendation 5, according to which the executive heads of organizations must avoid a negative impact on staff in their decisions to outsource specific activities or services and must ensure appropriate protection for affected staff members. It reiterated that the report published under symbol A/53/818 not only indicated that the effects of the practice must be mitigated but also specified that there must be no negative effects on staff. It considered recommendation 7 to be important, and hoped that the Unit's report would clarify the various aspects of the question, all the more so since outsourcing was likely to become broader in scope.

21. **Mr. Kuyama** (Chairman of the Joint Inspection Unit (JIU)) said that he would address the remarks made at the 4th meeting by the delegations

representing the European Union and the United Republic of Tanzania, which had asked why the legislative organs did not always take specific action on the recommendations of the Unit, and the remarks by the delegation of the Russian Federation, which had noted that the General Assembly did not always have the opportunity to consider the Unit's recommendations. He acknowledged that few executive heads abided by the provisions of article 11, paragraph 4 (c), of the JIU statute, preferring instead to submit to the legislative organs summaries of the Unit's reports accompanied by general observations and the invitation to take note of them. The Unit had embarked on a dialogue with the secretariats of several organizations with a view to improving the follow-up system for its reports. The member States of participating organizations had a crucial role to play in that respect, especially as the same States had endorsed the system in the United Nations General Assembly.

22. Replying to a remark made by the delegation of the Russian Federation, he reminded the Committee that the Unit had drawn up several reports on peacekeeping operations, but that most had not been followed up in the General Assembly for various reasons, including a failure to assign them to an agenda item or a committee. The Panel on United Nations Peace Operations had taken up some recommendations that had already appeared in the Unit's reports.

23. The Unit had decided that in the near future it would proceed with a general audit of the United Nations Transitional Administration in East Timor, which would be carried out in collaboration with the Office of Internal Oversight Services (OIOS). JIU would ensure that its work would not duplicate that of other oversight bodies.

24. In response to a question put by the delegation of the United Republic of Tanzania concerning the cost of the JIU report, he stressed that the production of not only reports but also confidential notes and letters was the main activity of the Unit. Most were concerned with the entire United Nations system, which presupposed a considerable amount of work in collecting information from the participating organizations and other bodies, coordination with other oversight bodies and follow-up of reports once they were published. Consequently, it was rather difficult to assess the cost of the Unit's report. However, as the Unit was aware of the need to control costs, it had endeavoured to ensure that all organizations would apply its follow-up system.

25. Addressing a question raised by the delegation of the Islamic Republic of Iran concerning paragraph 12 of the report of the Joint Inspection Unit on experience with the follow-up system on its reports (A/56/356), he said that the remark of the Unit concerning the scope of the Secretary-General's report on the implementation of its recommendations had been of a general nature. Since the adoption of General Assembly resolution 54/16, the Secretary-General had published just one report on the implementation of the Unit's recommendations, and the Unit was currently making an effort to help participating organizations define standards for their own reports on implementation.

26. Turning to questions posed at the 4th meeting, he explained, in response to the remarks made by the representative of Canada, that the Unit had drawn up its report on the United Nations University in close cooperation with OIOS and the Board of Auditors and had striven to produce a report that would complement the reforms undertaken at the time by the University. The Unit had published its report on the Administrative Committee on Coordination (ACC) before that Committee had undertaken its own reforms. The reports of the Unit often gave the impression of being a duplication of others or of appearing too late, but that situation was due to delays in their circulation or consideration.

27. Concerning the programme of work of the Unit for the year 2002 and beyond, he referred to his reply to the question raised by the delegation of the Russian Federation at the 4th meeting regarding the Department of Peacekeeping Operations. The scheduled evaluation of international drug control would not take place soon, as OIOS had recently begun considering the question. The list of questions that could be the subject of a report was a preliminary one. As for the study of the impact of zero-growth budgets and the practice of attaching conditions to contributions that had been suggested by the secretariats of the participating organizations or by other oversight organs, the Unit would take a decision when the time came. Concerning the consideration of travel-related questions, a matter raised by the representative of the United States of America, the Unit would ensure that its report did not duplicate others.

28. He was pleased that the United States delegation had pointed out that Member States had a role in follow-up. In that connection, he drew attention to General Assembly resolution 50/233, which emphasized the shared responsibility of the Member States, the Unit and the secretariats of the participating organizations.

29. Replying to the question of the Chinese delegation about the loss of two P-2 posts, he made it clear that the aim of the Unit was not to eliminate posts, but to make the best possible use of the resources at its disposal. Turning to the criteria for the establishment of a preliminary list of potential topics for reports, he said that the Unit bore in mind the suggestions of heads of secretariats, exercised its own judgement and, above all, heeded the concerns and priorities of Member States.

30. **Mr. Repasch** (United States of America) expressed surprise that the Unit was unable to supply a cost analysis of its activities and had no such essential tool of internal management. His delegation hoped that changes would be made to the Unit's work programme for 2002 and subsequent years on the basis of Member States' comments, so as to avoid duplication and define objectives more precisely. He regretted that the annual reports of JIU did not include information about progress made and expected achievements, which was the practice followed in the reports of United Nations Secretariat departments and results-based budgeting. While he approved of the recommendations made by the Unit in its report on the management of buildings (A/56/274), he hoped that the question would be reviewed when the capital master plan was studied. As for recommendation 2, he proposed that those responsible for the plan should examine the technical specifications of buildings with the appropriate authorities of the City of New York with a view to bringing them into line with standards.

31. **Mr. Kuyama** (Chairman of the Joint Inspection Unit), replying to the question from the representative of the United States of America concerning cost analysis in the Unit's reports, explained that since the United Nations Secretariat was unable to come up with a satisfactory system of cost accounting in reports to the General Assembly, a problem often raised in the Fifth Committee, it was difficult for him to provide exact figures at the moment. He had, however, taken note of the concerns expressed in that respect.

32. **Mr. Nakkari** (Syrian Arab Republic) spoke of the importance his country had always attached to the Unit's reports. If JIU was expected to present a cost analysis, the other oversight bodies should be requested to do likewise. Moreover, with regard to the examination of partnership between the United Nations system and civil society (A/56/84, para. 23), he emphasized that the question of partnership with the private sector was of especial concern to his delegation. At the fifty-fifth session of the General Assembly, a recommendation had been adopted on the guidelines to be followed in cooperation with the private sector. He wished to know if the Secretariat had drawn up a report on the subject.

33. **Mr. Yussuf** (United Republic of Tanzania) said that he was disquieted by the comment made in the second sentence of paragraph 28 of document A/56/34, which led him to ask some questions about the implementation of JIU recommendations by participating organizations and about the point of drafting reports. The fact that note was taken of a report gave no indication whether the participating organizations approved or disapproved of that report and he wondered why it should be so.

34. **Mr. Chandra** (India) announced that he would broach the subject of the implementation of the Unit's recommendations in informal consultations. The Unit must think about the reception given to its recommendations by participating organizations. JIU should perhaps coordinate its activities more closely with those of the other oversight bodies. In order to make the Unit's conclusions more readily acceptable, it could circulate a preliminary draft of its reports to the participating organizations to enable them to comment or voice their concerns before the final report was published.

35. **Mr. Kuyama** (Chairman of the Joint Inspection Unit), replying to the representative of the Syrian Arab Republic, concurred that it would be wise for all oversight activities to be subject to cost accounting.

36. He stated in response to the representative of the United Republic of Tanzania and the representative of India that, for several years, JIU had been worried by the fact that the legislative organs of participating organizations took no specific decisions on its reports. Few specialized agencies applied the provisions of the statute of the Joint Inspection Unit concerning the circulation of its reports. (In that connection, it should

be said that JIU placed its recent reports on its web site, which Member States could consult online.) There were several reasons why the specialized agencies did not always read JIU reports with due attention: lack of time, uncertainty as to the agenda item under which to put them and the fact that Member States were frequently represented in the legislative organs of the participating organizations by technical experts who were only moderately interested in management issues. Nevertheless the secretariats of the participating organizations should try to make sure that the Unit's reports were carefully perused, for that was part of the shared responsibility of Member States, secretariats and JIU. It was important that the specialized agencies should approve of and apply the whole follow-up system, as that would ultimately solve all the problems encountered in that respect.

37. The representative of India had mentioned the reactions of the participating organizations to JIU reports. The Unit followed the practice of sending its reports in draft form to the secretariats of the participating organizations, to enable them to correct technical details if necessary and to make comments. The process was a slow one, because the JIU waited for the responses from the organizations in order to incorporate them into the final version of its reports, before submitting them for action or information.

38. **Mr. Mezzalama** (Joint Inspection Unit) said that he would reply first to the representative of China, regarding the report on buildings management (A/56/274). Maintenance having been neglected over the years, it was all the more necessary to find financial resources for the renovation of the buildings. Since the funding required was beyond the scope of the biennial programme budget, JIU was recommending the creation of a special fund, to be preceded by a feasibility survey carried out by the Secretary-General. Provision must also be made for a monitoring system for the fund, which would fall outside the programme budget. He shared the hope of the United States representative that the JIU report would be among the documents before the Fifth Committee when it considered the capital master plan.

39. Replying to the representative of the Syrian Arab Republic, he explained that private sector partnerships were very different from outsourcing, a commercial practice which had long been in use at the United Nations. The idea of partnerships with the private sector, which had been launched by the Secretary-General at the Davos Economic Forum in 1999, was to seek private sector cooperation in pursuing the key objectives of the United Nations. Such cooperation would of course remain subject to the consent of the Government responsible for the private sector entities entering into such partnerships. Since the idea had been well received, work had begun on drawing up guidelines for that type of cooperation. In the Millennium Declaration, provision had been made for establishing firm partnerships with the private sector and civil society organizations. In that regard he had undertaken, at the request of the United Nations Industrial Development Organization, to produce a report on civil society.

40. **Mr. Toh** (Director of the Facilities and Commercial Services Division) said that the guidelines mentioned by Mr. Mezzalama now existed and could be consulted on the Global Compact web site (www.unglobalcompact.org). Replying next to the representative of Canada on the question of management of office space, he acknowledged that it was an especially difficult and unrewarding task for the United Nations, an organization whose geometry was variable, especially because of the fluctuating nature of peacekeeping operations. Moreover, when premises were required in other buildings, it was found that office space was handled differently from that in the Secretariat buildings, and it was therefore very difficult to lay down norms applicable to all premises. However, some progress had been made. Thanks to the goodwill shown by the Department of Economic and Social Affairs, which had agreed to regroup its offices, it had been possible to free up three floors, and the Department of Peacekeeping Operations was now engaged in moving into them.

41. Replying to the representative of China on the work of refurbishment, he said that the interest shown by the representatives of the host country during talks on the question held in both Washington and at Headquarters had been most encouraging.

42. **Mr. Gabriel** (Administrative Committee on Coordination), thanking delegations for their comments, said that the Administrative Committee and its High-Level Committee on management questions would continue to deal with issues mentioned at the previous and current meetings. He confirmed that many recommendations for using private management consulting firms had been applied in the interval between the publication of the report of the Joint